

## Network Experiment

<These are instructions given to subjects for the purpose of doing the complex computation of the amount of information they receive through the network by virtue of the connections made at the beginning of the round. Subjects first choose their connections by writing them down in the record sheet together with the cost from making such connections. They then determine the benefit from their connections, the amount of information they receive, by participating in the following process.>

Jan. 11, 1999

### **Algorithm Instructions**

This is not part of the experiment you are participating in.

These instructions detail the computational steps we will go through to determine the information acquisitions for each player. Firstly, we will determine which information you receive directly (via links you paid for) and, secondly, which information you received indirectly (via other players' links). This information will be represented by the cards you accumulate in front of you during this process.

You do not face any choices in this process. You are asked to merely follow the instructions.

Deviating from the instructions will not gain you any money.

### The Steps

1. You should place your own card number on the desk in front of yourself. You can leave it there for the entire experiment.
2. Now, add the indicator card for each other player that you are connected to. That is, if you paid for a link to someone then place their number in front of you as well. This is the information that you are receiving directly from your links.
3. Now look at the players to whom you have paid for a link.
4. If they have a number (card) in front of them that you don't have, then you can add that card to the collection in front of you as well. This is the information that you are receiving indirectly.
5. Once everyone has finished this process, go back and repeat step 3. If no one adds new cards to their collection, then the information transfer is complete, go to step 6.
6. The cards you have in front of you now have all of the information that your links have brought you this round.
7. Record your links and information received on your record sheet. Tally up your profit.
8. Once this is completed, we are ready to begin the next round.